



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 28<sup>th</sup> day of July, 2023

Essential Air Service at

**PRESCOTT, ARIZONA** (FAIN  
69A3452360462)<sup>1</sup>

**DOT-OST-1996-1899**

under 49 U.S.C. § 41731 *et seq.*

**ORDER EXTENDING CURRENT CONTRACT**

**Summary**

By this Order, the U.S. Department of Transportation (the Department) extends the contract of SkyWest Airlines, Inc. (SkyWest), as outlined in Order 2020-7-2 (July 1, 2020), to provide EAS at Prescott, Arizona, from September 1, 2023, through December 31, 2023.

**Background**

By Order 2020-7-2 (July 1, 2020), the Department selected SkyWest Airlines, Inc., branded as United Express (SkyWest), to provide EAS at Prescott, with 12 nonstop round trips per week to Denver International Airport (DEN) and/or Los Angeles International Airport (LAX) using 50-seat Bombardier CRJ-200 (CRJ-200) regional jet aircraft. The Department selected SkyWest for a three-year contract term from September 1, 2020, through August 31, 2023, at an annual subsidy rate of \$3,209,101.

As the end of Prescott's EAS contract term approached, the Department issued Order 2023-4-15 on April 28, 2023, requesting proposals from air carriers interested in providing EAS at Prescott for a new contract term. The due date for proposals was originally May 30, 2023. However, two extensions to the due date for proposals were granted, the first to June 13, 2023, and the second to June 29, 2023.

In a June 19 letter to the Department, SkyWest requested a subsidy per flight for Prescott "for the continuation of Essential Air Service until a new contract becomes effective."<sup>2</sup>

<sup>1</sup> Federal Award Identification Number (FAIN).

<sup>2</sup> <https://www.regulations.gov/document/DOT-OST-1996-1899-0282>

**Decision**

Since the EAS carrier-selection case at Prescott is still in progress, a new air carrier has not yet been selected by the Department to replace SkyWest's service. Therefore, the Department is extending the requirement for SkyWest to provide EAS at Prescott to cover the period from September 1, 2023, through December 31, 2023, and will provide the subsidy per flight requested in SkyWest's June 19 letter. This may be extended further pending the conclusion of the air carrier selection case.

This Order is issued under authority delegated by the Secretary of Transportation in 49 CFR § 1.25a(b)(6)(ii)(D).

**Accordingly,**

1. The Department extends the contract with SkyWest Airlines, Inc. to serve Prescott, Arizona, as outlined in Order 2020-7-2, from September 1, 2023, through December 31, 2023, and will compensate the air carrier at the annualized subsidy rate as described in Appendix A;
2. This docket will remain open pending further Departmental action; and
3. The Department will serve this Order on the Mayor of Prescott, Arizona, the airport director of the Prescott Regional Airport, SkyWest Airlines, Inc., SkyWest Charter, LLC, and Contour Airlines.

By:

Carol A. (Annie) Petsonk  
Assistant Secretary  
for Aviation and International Affairs

(SEAL)

*An electronic version of this document is available at*  
<http://www.regulations.gov>

**SkyWest Airlines**  
**Essential Air Service to be provided at Prescott, Arizona**  
**DOT-OST-1996-1899**

<u>Rate per Flight:</u> <sup>1</sup>	\$4,857
<u>Contract Term:</u>	September 1, 2023, through December 31, 2023
<u>Hub(s):</u>	Los Angeles International Airport (LAX) and Denver International Airport (DEN)
<u>Scheduled Service:</u>	12 nonstop round trips per week
<u>Aircraft:</u>	50-seat Bombardier CRJ-200
<u>Weekly Ceiling:</u> <sup>2</sup>	\$116,568
<u>Annualized Subsidy:</u> <sup>3</sup>	\$5,973,644

**Note:** The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the Order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated service levels, the carrier may cease to provide service to that specific location without regards to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and carrier do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

Funds may not be available for performance under this Order beyond September 30, 2023. The Government's obligation for performance under this Order beyond September 30, 2023, is subject to the availability of funds from which payment for services can be made. No legal liability on the part of the Government for any payment may arise for performance under this order beyond September 30, 2023, until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond September 30, 2023, the Department will provide notice in writing to the carrier.

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1 The subsidy per flight requested in SkyWest's June 19 letter.

2 24 arrivals and departures per week multiplied by \$4,857.

3 \$4,857 subsidy per flight x 24 weekly departures x 52 weeks x 98.55 percent completion.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31; August claims must be submitted by November 30, and so on.